

June 16, 2005

SUBJECT: Food Stamp Program - State Agency Operations Review and Management
Evaluation Target Areas for Fiscal Year 2006

TO: Regional Administrators
All Regions

In preparation for the next fiscal year, the Food and Nutrition Service Headquarters (FNS-HQ) has identified the most critical program areas to monitor for the successful operation of the Food Stamp Program (FSP) nationwide. In general, these areas should be included in reviews of State agency operations and listed in letters to the States as high priority monitoring areas for Management Evaluations (ME) to be conducted during fiscal year (FY) 2006. Attachment 1 to this memo is a guide for monitoring the national high-priority program areas. For each area targeted, there is a description of review activities for regional office staff and, when applicable, suggested activities for State agency staff conducting ME Reviews of local operations.

For FY 2006, there will be seven target areas. Changes to targets from last year are minimal. The new target area addresses Issuance/Electronic Benefits Transfer (EBT) requirements.

National Target Areas: Review areas are limited to those of the highest national priority for the FSP: 1) Program Access, 2) Corrective Action Assessment, 3) Recipient Claims Management, 4) Nutrition Education, 5) Reviews of State ME Systems, 6) Use of 15 percent Able-Bodied Adults Without Dependents Exemptions, and 7) Issuance/EBT. Regional offices are to target additional areas for monitoring based on the needs of particular State agencies for oversight and assistance in maintaining program integrity. Other monitoring areas should also be included, as needed, in your directives to State agencies for reviewing local operations.

Some target areas State ME reviewers may not be familiar with reviewing. The State agency may wish to train State ME reviewers to conduct the review or assign expert staff to support the ME review team. Similarly, if reviewers at the FNS Regional Office are not familiar reviewing a target area, the regional office may train reviewers to conduct the review or assign the review to other staff within the region who have the expertise. For example, Financial Management staff may monitor and review the financial area of a target, Information Technology staff may monitor and review an automated function, or Civil Rights staff may review an overlapping client services target. It does not matter which staff conduct the review as long as the target areas are covered so problems are identified and corrected.

Mandatory Reporting on National Target Areas: It is not mandatory to review every target in each State if there are valid reasons not to do so. For example, if a target area was reviewed in the last 1 to 3 years, no problems were identified and it is known that there have been no changes to affect the target area, you may decide not to review it. On the other hand, problem areas should receive continued scrutiny whether they are or are not targets. Since the priorities reflect national concerns, regional offices should indicate why a target area was not covered in the end of year report. If it is known which targets will not be reviewed when

the review schedule is submitted, you could also provide that information then. The reason a target was not reviewed does not need to be in the ME review report that is sent to State agencies.

On-Site Monitoring of State ME Systems: State agency ME reviews of local certification offices ensure much wider coverage of program access issues than can be accomplished through FNS Program Access Review efforts alone. Therefore, regional offices will continue to be required to monitor this aspect of States' ME reviews closely. To better assess the quality, scope, and effectiveness of State ME activities, one local site visit per State is to be completed as part of the biennial review of each State's ME System. During these visits FNS reviewers are to examine the practices involved in State agency conducted ME's of local offices, paying particular attention to how well the State teams are evaluating program access. This assessment can be done by either accompanying the State team as they conduct a local on-site ME review or by making a visit independently to a local office where the issues examined by the State's team are reviewed subsequently by FNS staff. The regional office may review any target area during the local office review when it makes sense.

INSTRUCTIONS FOR REGIONAL OFFICE REPORTING TO FNS-HQ

Beginning Year Report FY 2006

Due by January 1, 2006. The beginning year report is a preliminary regional office schedule for review visits to States, including review type and coverage. If the regional office knows which targets will not be reviewed at the time the beginning year report is prepared, that information should be supplied. Please send this report to the Office of Regional Operations and provide a copy the Program Development Division. We are no longer asking for copies of the targeting letters sent to State agencies.

End of Year Report FY 2006

Due November 30, 2006. This report summarizes review activities conducted in each State, organized by State. Address each applicable national target area, plus any additional program areas reviewed. List findings by program area. Please provide the following details for each State:

State Agency

- Program Area
- Date of Review
- Deficiency Description (Describe the deficiency in enough detail that referring back to the review report is not necessary. Include an analysis of causes and estimated severity of impact on program operations, when possible.)
- Corrective Actions Taken/Planned

For the year end summary, regional offices should complete the chart in Attachment 2. On this chart, the regional office should indicate why it decided against reviewing a target in the State agency. You may mail or e-mail the end of year report to the Program Design Branch, Program Development Division, to the attention of John Knaus, Branch Chief, Room 810 or John.Knaus@fns.usda.gov.

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We appreciate the efforts of you, your staff, and your State agency partners to ensure FSP integrity and improved access. If you have any questions or require assistance, please contact Dale.Walton@fns.usda.gov 703-305-2432 or Shelia.Little@fns.usda.gov, 703-605-0727.

/s/

Clarence H. Carter
Deputy Administrator
Food Stamp Program

Attachments

cc: FNS-HQ Food Stamp Program Division Directors
FNS Regional Food Stamp Program Directors
ORO – Retha Oliver
OANE – Rich Lucas